

# **Exhibit 12**



# Asphalt Shingle Limited WARRANTY

Type of Shingle (check one)	Warranty Period	Reduction Figure
<input type="checkbox"/> CHATEAU	30 YRS. (360 MOS.)	1/360
<input type="checkbox"/> CAMBRIDGE	25 YRS. (300 MOS.)	1/300
<input type="checkbox"/> RENAISSANCE XL	25 YRS. (300 MOS.)	1/300
<input type="checkbox"/> ROYAL VICTORIAN	25 YRS. (300 MOS.)	1/300
<input type="checkbox"/> ARISTOCRAT	25 YRS. (300 MOS.)	1/300
<input type="checkbox"/> GENTRY/MARATHON 25	25 YRS. (300 MOS.)	1/300
<input type="checkbox"/> ULTRA LOCK	25 YRS. (300 MOS.)	1/300
<input type="checkbox"/> AM ARMOUR SEAL (SUPERPLUS)	20 YRS. (240 MOS.)	1/240
<input type="checkbox"/> ARMOUR LOCK	20 YRS. (240 MOS.)	1/240
<input type="checkbox"/> IMPERIAL GLASS	20 YRS. (240 MOS.)	1/240
<input type="checkbox"/> IMPERIAL SEAL	20 YRS. (240 MOS.)	1/240
<input type="checkbox"/> NEW ENGLANDER	20 YRS. (240 MOS.)	1/240
<input type="checkbox"/> TOTAL	20 YRS. (240 MOS.)	1/240
<input type="checkbox"/> ARMOUR TITE	15 YRS. (180 MOS.)	1/180

IKO Industries, Inc., subject to the conditions and limitations listed herein, warrants to the original consumer-purchaser that the above shingles are free from manufacturing defects that result in leaks. This warranty begins at the time of completion of installation, and shall run for the length of time specified above, for the particular shingle.

#### IKO PROTECTION

A) During the first five (5) years after completion of installation of IKO Chateau, Cambridge or Renaissance XL shingles only, IKO will at its option have the shingles repaired or replaced free of charge, if the shingles are proven to contain a manufacturing defect which has resulted in leaks. IKO's maximum liability shall be equal to the reasonable replacement cost of the defective shingles and IKO will not pay for, nor be responsible for roof tear-off, flashing, and metal work or repairs of defects within these materials.

After the first five (5) years from completion of installation, IKO's maximum liability towards repairs or replacement shall be a pro-

rated amount of the reasonable replacement material cost only (exclusive of labor). This pro-rated amount is figured by reducing the reasonable replacement material cost by the monthly reduction figures for the specific shingles for each month the shingles have been installed.

B) During the first three (3) years after completion of installation of IKO Imperial Seal, Armour Seal, Imperial Glass, New Englander, Superplus, Total, Armour Lock, Ultra Lock, Armour Tite, Gentry, Aristocrat, or Royal Victorian shingles only, IKO will at its option have the shingles repaired or replaced free of charge, if the shingles are proven to contain a manufacturing defect which has resulted in leaks. IKO's maximum liability shall be equal to the reasonable replacement cost of the defective shingles and IKO will not pay for, nor be responsible for roof tear-off, flashing, and metal work or repairs of defects within these materials.

After the first three (3) years from completion of installation, IKO's maximum liability towards repairs or replacement shall be a pro-rated amount of the reasonable replacement material cost only

ALL IMPLIED WARRANTIES, INCLUDING MERCHANTABILITY AND FITNESS, ARE HEREBY EXCLUDED. TO THE EXTENT THAT ANY IMPLIED WARRANTY MAY NOT BE EXCLUDED AS A MATTER OF LAW, ANY SUCH IMPLIED WARRANTY, INCLUDING MERCHANTABILITY AND FITNESS, IS LIMITED TO THE DURATION OF THIS WARRANTY.

Some states do not allow exclusions of implied warranties or limitations on how long an implied warranty lasts, so the above limitation may not apply to you.

This warranty extends only to shingles sold, applied and domiciled within the United States.

(Please refer to reverse face for remainder of warranty and limitations.)

(exclusive of labor). This pro-rated amount is figured by reducing the reasonable replacement material cost by the monthly reduction figures for the specific shingles for each month the shingles have been installed.

#### LIMITED WIND RESISTANCE WARRANTY

IKO warrants its shingles for the initial 5 years of service against wind blow-off damage due to wind velocities, including "Gusts," up to a maximum of fifty-four (54) MPH (Beaufort Scale #9). In the event that it is proven there has been wind damage from winds up to 54 m.p.h. to such shingles, IKO will furnish similar shingles necessary for replacement for damaged shingles. Our five (5) year limited wind warranty does not cover the labor costs for the removal of damaged shingles or the application of the replacement shingles.

Any costs in excess of IKO's liability shall be the homeowners liability. Homeowners should pursue such claims through their homeowner insurance.

#### NOTIFICATION

Claims pursuant to this Limited Warranty must be filed within thirty (30) days of discovery of the alleged defect in the following manner:

- a. Contact IKO Quality Services toll-free at 1-800-433-2811.
- b. Furnish the information as requested by the Quality Services representative.
- c. Complete and sign the Home Owner Inquiry Survey sent to you by Quality Services. At your own expense, return the Home Owner Inquiry Survey including all of the following:
  - (1) Proof of Purchase indicating the IKO product involved.
  - (2) The required number of pictures.
  - (3) Two full sample shingles.
  - (4) The completed and signed forms.
- d. Provide access to the IKO products in question for the purpose of investigation if requested.

IKO will, within approximately sixty (60) days of receipt of the completed Home Owner Inquiry Survey, evaluate the claim and respond according to any obligation as may be imposed by the Limited Warranty as a result of such an evaluation. Any claimed defect for which notice is not received by IKO within the applicable warranty period is not covered by this warranty.

#### LIMITATIONS

##### I. IKO will have no liability under this warranty for:

- A) Any damage to the shingles caused by improper application of the shingles or shingles not applied according to IKO printed application instructions.
- B) Any variation in color or shading.
- C) Any damage to the interior or exterior of any building or to any property contained therein.
- D) Any damage caused by Acts of God, including lightning, gale (except of the extent listed in the Limited Wind Resistance Warranty), hailstones, hurricane, tornado, earthquake, explosion, flood, fungus contamination, solid objects falling on the roof or any other causes except ordinary wear and tear by the elements.
- E) Any damage caused by settlement, distortion or cracking of the roof deck, walls or foundation of a building or failure in the materials used as a roof base or by traffic on the roof.
- F) Any damage if the roof is altered after initial installation of the shingles, whether any such alteration is by structural

additions, changes, or replacements or equipment installations (including without limitations, aerials, signs, water towers, fan housings, air conditioning equipment, television antennas and sky lights).

- G) Any costs incurred for repair or replacement not authorized in writing by IKO.
- H) Any damage caused by any cause other than a manufacturing defect.
- I) Any discoloration due to the presence of mold, mildew, fungus, algae or pollutants.
- J) Any damage caused by inadequate attic ventilation. Ventilation must meet minimum requirements set by FHA or local building codes.

2. All shingles which contain a factory applied self sealing strip must be subjected to direct sunlight for several days before full sealing will occur. Shingles installed in the fall or winter may not seal until the following spring. Shingles which do not receive direct sunlight or which are not exposed to adequate surface temperatures may never seal. Damage to the factory applied self sealing strip by dust, sand or foreign matter will prevent the sealing strip from activating. This is the nature of shingles and failure to seal down under such circumstances is not a manufacturing defect. If any shingles which have been exposed to adequate temperatures and direct sunlight contain heat activated self sealing strips which fail to activate during the first year after application, IKO will have no liability under this warranty for such defects unless proper written notification has been made and IKO has been allowed the opportunity to hand seal any non-sealed shingles at its own expense.

3. In all cases, replacement shingles are warranted only for the remainder of the original shingles warranty.

4. IKO reserves the right to discontinue or modify any of its products, including the color blend of said shingles, without notice to the original consumer-purchaser and shall not be liable to the original consumer-purchaser as a result of this modification or discontinuance.

5. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state. This limited warranty which is effective as of May 15, 1993, is NOT TRANSFERABLE. It is extended to and may be enforced only by the original purchaser/consumer (original purchaser of the building to which the IKO shingles are applied). No action for breach of this limited warranty shall be brought later than one year after any cause of action has accrued.

6. THIS WARRANTY DOES NOT INCLUDE ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitations may not apply to you.

THIS IS THE ONLY WARRANTY IKO GIVES. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. IKO WILL NOT BE LIABLE FOR ANY ORAL STATEMENT OR OTHER WRITTEN STATEMENT ABOUT THE SHINGLES, WHETHER SUCH STATEMENTS ARE MADE BY AN AGENT OR EMPLOYEE OF IKO OR BY ANY OTHER PERSON.

Contractor Signature \_\_\_\_\_

Date of Installation \_\_\_\_\_